
**FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)
EXECUTIVE OFFICER'S REPORT**

AGENDA ITEM No. 13

DATE: March 13, 2013
TO: Local Agency Formation Commission
FROM: Jeff Witte, Executive Officer
SUBJECT: **Consider Approval** – Consider LAFCo Participation in the SJVIA (San Joaquin Health Insurance Authority) for LAFCo Employee Health Insurance

Recommendation:

Authorize the Executive Officer to enter into an agreement on behalf of Fresno County LAFCo to obtain health insurance with SJVIA (San Joaquin Health Insurance Authority) for the new Executive Officer and any other employees Fresno LAFCo may hire in the future.

BACKGROUND:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 contains provisions providing for Local Agency Formation Commissions to seek independence when possible and practical and the Commission has since voted to become independent from the County. The Commission determined that the two current County employees working for LAFCo would remain County employees working on contract to the Commission, but any new employees hired by LAFCo would be employees of LAFCo and not the County. As a result of this change, employee benefits (i.e. health care benefits, retirement, etc.) would no longer be provided by the County, but would become the responsibility of LAFCo to provide.

Your current Executive Officer had entered into a contract with LAFCo at the time he was hired and did not require health insurance because it was available to him through his wife's employment. LAFCo is obligated to provide health insurance to any new LAFCo employees.

STAFF ANALYSIS:

In searching for a reasonable health insurance plan for the Commission, staff has discovered that Fresno County recently entered into an "insurance authority" with Tulare County and is allowing other public agencies to join their authority in order to have a larger membership. If LAFCo joins the "Authority" there would be a substantial cost saving to LAFCo due to the fact that employee ages and pre-existing health conditions are not factored into their health plans.

Staff has looked at various private sector plans; however, those plans represented a substantially higher cost than those offered by SJVIA. LAFCo's cost for providing any health insurance plan will be subject to the employment agreement with the new Executive Officer and future LAFCo employees. The decision to participate in the SJVIA will also require a future action by the Commission to include the provision of health insurance benefits in the LAFCo Employee Handbook. At this time there is no specific financial commitment, as your Executive Officer is only asking for authorization to move ahead to obtain health insurance. With respect to any new LAFCo employees, the Commission would need to take a future action.